



0000041497

# W APPLICATION

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AZ CORP COMMISSION  
DOCUMENT CONTROL

R. Sallquist, Esq. (602/277)  
SALLQUIST & DRUMMOND, P.C.  
2525 E. Arizona Biltmore Circle, Suite 117  
Phoenix, Arizona 85016  
Telephone: (602) 224-9222 Fax: (602) 224-9366  
Attorneys for Litchfield Park Service Company

## BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
LITCHFIELD PARK SERVICE COMPANY FOR )  
AN EXTENSION OF ITS CERTIFICATE OF )  
CONVENIENCE AND NECESSITY TO )  
PROVIDE WATER AND WASTEWATER )  
SERVICE IN MARICOPA COUNTY, ARIZONA, )  
AND DELETION OF A PORTION OF THE )  
WATER CERTIFICATED. )

DOCKET NOS. W-01427A-00-11004  
SW-01428A-00-7004

## APPLICATION

Litchfield Park Service Company ("Litchfield") submits this Application to extend its water and wastewater Certificate of Convenience and Necessity, and to delete a portion of its water Certificate of Convenience and Necessity. In support of this Application, Litchfield states as follows:

1. Litchfield holds a Certificate of Convenience and Necessity ("CC&N") issued by the Commission to provide water and wastewater service in portions of Maricopa County, Arizona.

2. The City of Goodyear ("Goodyear") is a municipal corporation providing water and wastewater service to citizens within the City in the vicinity of Litchfield's CC&N.

3. Litchfield has an agreement with Goodyear which contemplates Goodyear and Litchfield realigning their respective utility service areas to more effectively and efficiently serve the utility customers within those areas.

4. Under the agreement, Litchfield would delete from its water CC&N all areas south of Interstate 10, as described on Attachment A hereto (the "Deleted Area"), which area would then

1 receive water service from Goodyear. The principle developer of that property is Continental  
2 Homes. Litchfield has no facilities, customers or agreements with property owners within the  
3 Deleted Area.

4 5. In exchange, Goodyear supports this Application of Litchfield to provide water and  
5 wastewater service to Section 32, as described on Attachment B hereto, (the "Additional Area").  
6 The principle property owners of Section 32 are Globe Corporation, Burton Freireich, Roy F.  
7 Ross and Pebble Creek Church. Goodyear has no facilities or customers within the Additional  
8 Area at this time.

9 6. Copies of letters from Goodyear, Globe Corporation, Mr. Freireich, Mr. Ross and the  
10 Pebble Creek Church supporting the Application are appended hereto as Attachment C.

11 7. A copy of the completed CC&N Extension Application as required by the Commission  
12 is attached hereto as Attachment D.

13 8. Based on the Service Agreements with the Developers within the Additional Area,  
14 Litchfield will have sufficient water and wastewater capacity to serve the Additional Area.

15 9. Litchfield and Goodyear will provide service to their respective service areas under  
16 their existing service rates, charges, terms and conditions, as those rates may be amended by  
17 appropriate regulatory action.

18 10. Litchfield will publish the form of notice attached hereto as Exhibit H to Attachment  
19 D in a newspaper of general circulation in Litchfield's service area. The certificate of publication  
20 will be docketed upon completion of the publication.

21 WHEREFORE, Litchfield respectfully requests that the Commission hold a hearing on  
22 this Application as soon as practicable, and thereafter issue an order granting the requested  
23

1 extension of its water and wastewater Certificate of Convenience and Necessity, and further  
2 granting the deletion of a portion of its water Certificate of Convenience and Necessity.

3 Respectfully submitted this 8<sup>th</sup> day of December, 2000.

4 SALLQUIST & DRUMMOND, P.C.

5 By: [Signature]  
6 Richard L. Sallquist  
7 SALLQUIST & DRUMMOND, P.C.  
8 2525 E. Arizona Biltmore Circle, Suite 117  
Phoenix, AZ 85016  
Attorneys for Litchfield Park Service Company

9 The original and ten copies of  
10 the foregoing were filed this 8<sup>th</sup>  
day of December, 2000:

11 Docket Control  
12 Arizona Corporation Commission  
13 1200 W. Washington St.  
Phoenix, AZ 85007

14 Copies of the foregoing were mailed  
15 this 8<sup>th</sup> day of December, 2000 to:

16 Hearing Division  
17 Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

18 Legal Division  
19 Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

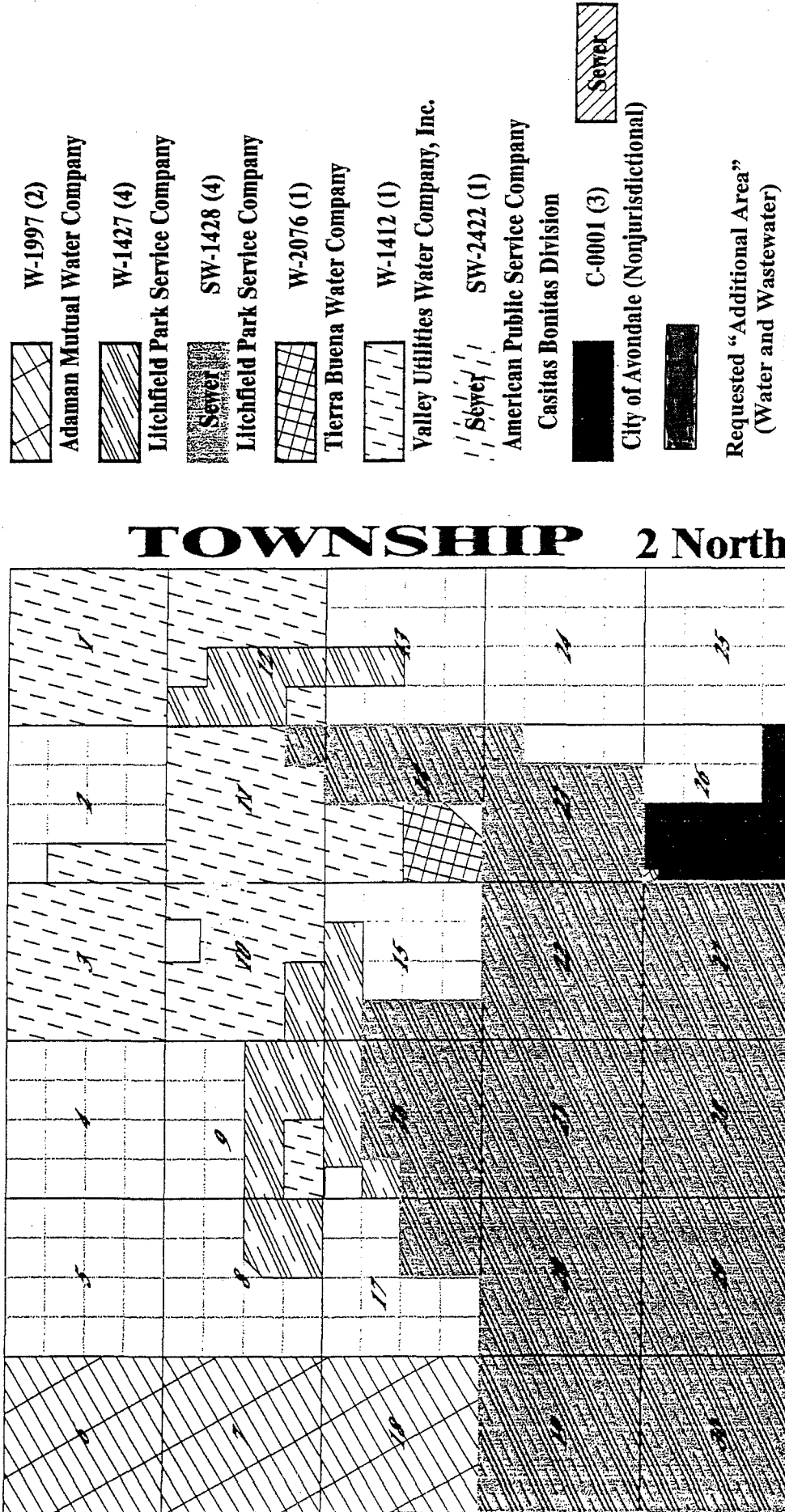
20 Utilities Division  
21 Arizona Corporation Commission  
1200 W. Washington St.  
22 Phoenix, AZ 85007

23 [Signature]

# COUNTY OF Maricopa

## RANGE 1 West

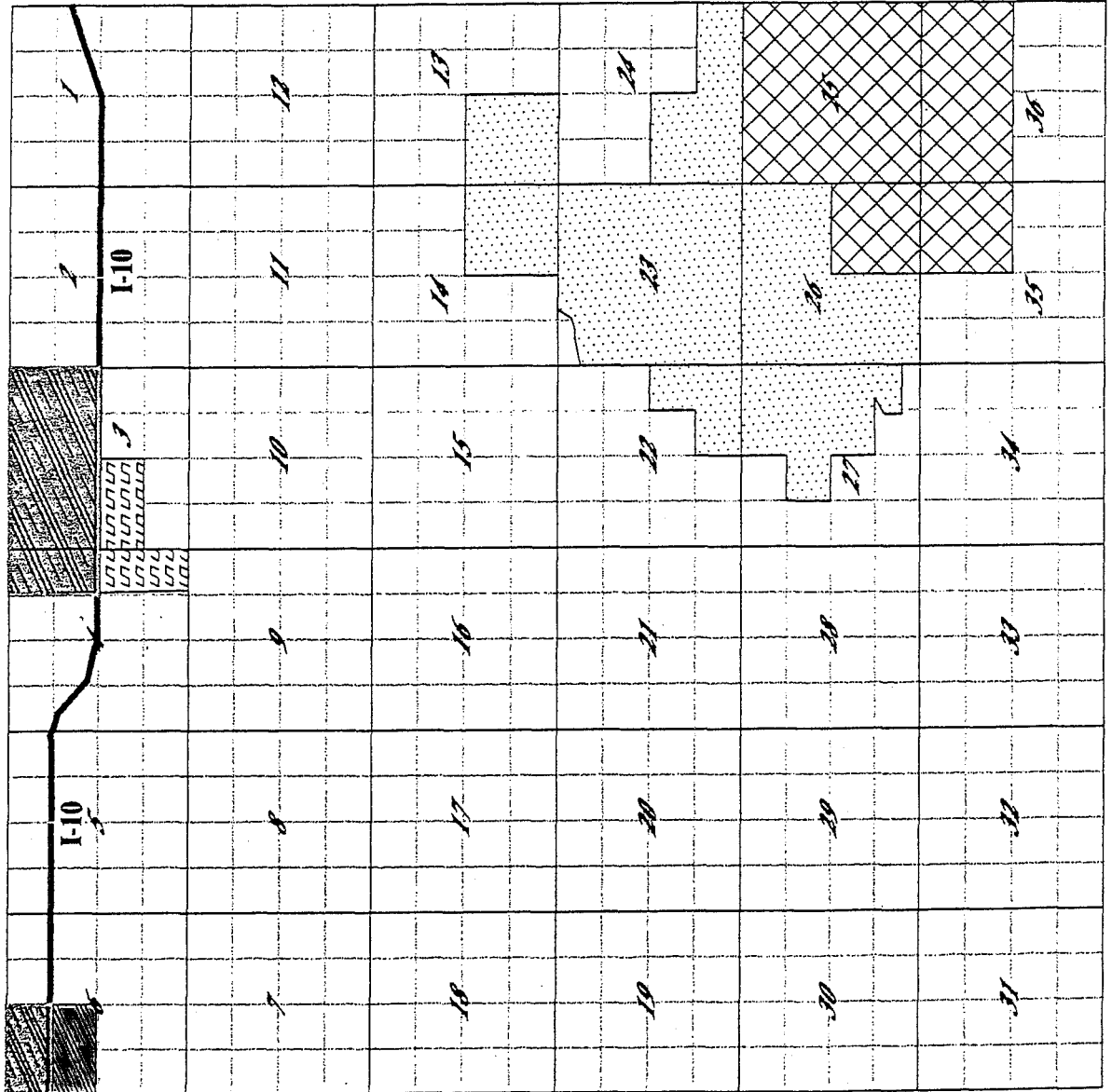
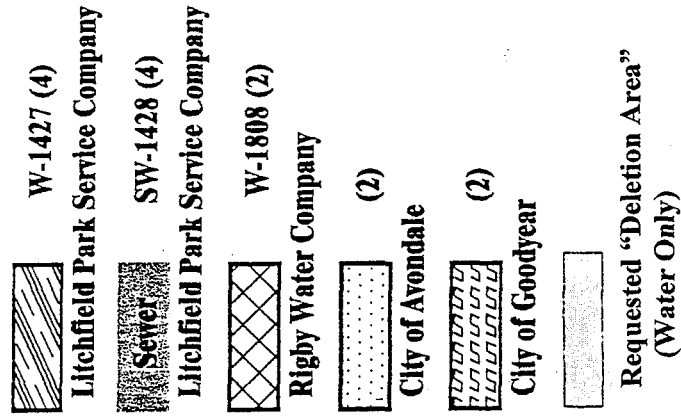
## TOWNSHIP 2 North



# COUNTY Maricopa

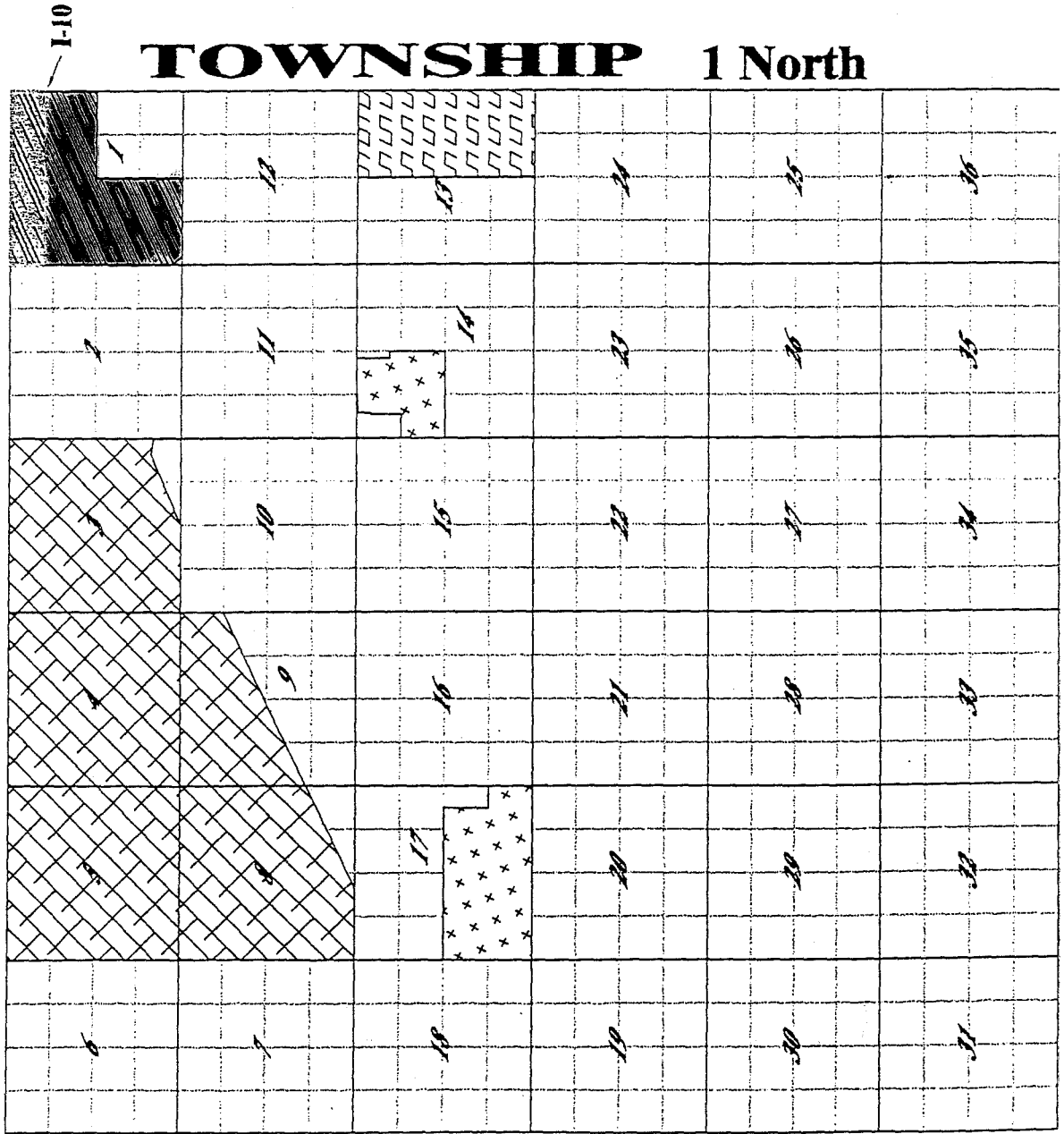
## RANGE 1 West

## TOWNSHIP 1 North



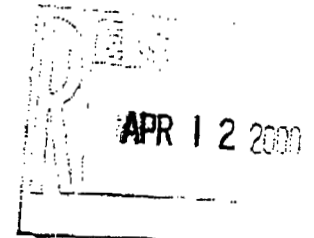
# COUNTY Maricopa

## RANGE 2 West





April 10, 2000



Mr. Dave Ellis, General Manager  
Litchfield Park Service Company  
111 W. Wigwam Blvd., Suite B  
Litchfield Park, AZ 85340

RE: Globe/Continental Service Area Exchange

Dear Dave:

This is a follow-up to our continuing discussions on the exchange of LPSCO's service territory south of I-10 (Continental Homes) for Section 32 north of McDowell Road and west of Bullard Road (Globe property) in the City's service area.

City Staff has completed its review of the proposed exchange as outlined in your December 13, 1999, letter, and find that the service territory swap is acceptable with no additional consideration required.

Continental Homes is in the processing of initiating their Canyon Trails development in the LPSCO service territory south of I-10, and are anxious to begin constructing new houses. To facilitate their new development, it will be necessary for the City to serve a portion of the Canyon Trails development within the LPSCO service territory prior to the exchange being completed. If acceptable to LPSCO, I would propose that a memorandum of understanding be developed to address issues regarding interim utility service within the LPSCO service area. Details regarding this memorandum should be worked out with Harvey Krauss, Community Development Director.

Sincerely,

CITY OF GOODYEAR

Stephen S. Cleveland  
City Manager

Cc: Harvey Krauss, Community Development Director  
Dave Ramirez, City Engineer  
Dave Maguire, Continental Homes  
Ed Bull, Burch & Cracchiollo

ATTACHMENT C

C:\My Documents\Canyon Trails\LPSCO exchange.doc

119 North Litchfield Road • Goodyear, Arizona 85338

623-932-3910 • 1-800-USA-1-PHX • FAX 623-932-1177 • TDD 623-932-6500

MAR 20 2000  
TELEPHONE (602) 991-0500  
FACSIMILE (602) 991-1212

GLOBE CORPORATION

6730 NORTH SCOTTSDALE ROAD, SUITE 250  
SCOTTSDALE, ARIZONA 85253-4424

RAYMOND H. CARTER  
VICE PRESIDENT REAL ESTATE

March 17, 2000

Dave Ellis  
Litchfield Park Service Company  
111 W. Indian School Road  
Litchfield Park, AZ 85340

Dear Dave:

Goodyear Investors LLC (the new owner of Section 32) and Westcor Partners, our partners for the commercial portion of the property, would like to proceed with the transfer of the water and sewer service area from the City of Goodyear to Litchfield Park Service Company.

Please let me know what we can do to expedite this transfer.

Thanks for your help.

Sincerely,



cc: Harvey Krauss  
David Scholl

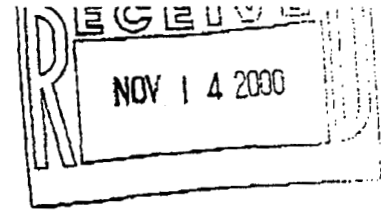


Litchfield Park Service Company  
Mr. Matthew Garlick  
111 W. Wigwam Blvd, Ste B  
Litchfield Park, AZ 85340

Dear Mr. Garlick,

It is my understanding that LPSCO is asking the Arizona Corporation  
Commission to approve a CC&N application for section 32 in Goodyear.  
I would like our property included in that CC&N application. Attached is  
a legal description of the property.

Signed Benton Freireich Date 11/15/2000



Litchfield Park Service Company  
Mr. Matthew Garlick  
111 W. Wigwam Blvd, Ste B  
Litchfield Park, AZ 85340

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Commission to approve a CC&N application for section 32 in Goodyear.  
I would like our property included in that CC&N application. Attached is  
a legal description of the property.

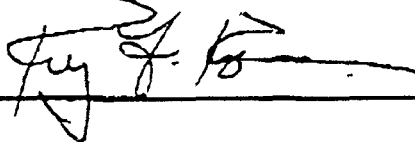
Signed F. A. [Signature] Date 11/10/00  
Pastor Pebble Creek Church

Litchfield Park Service Company  
Mr. Matthew Garlick  
111 W. Wigwam Blvd, Ste B  
Litchfield Park, AZ 85340

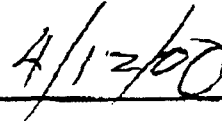
Dear Mr. Garlick,

It is my understanding that LPSCO is asking the Arizona Corporation  
Commission to approve a CC&N application for section 32 in Goodyear.  
I would like our property included in that CC&N application. Attached is  
a legal description of the property.

Signed



Date



Richard L. Sallquist (002677)  
Sallquist & Drummond, P.C.  
2525 East Arizona Biltmore Circle  
Suite 117  
Phoenix, Arizona 85016-2129  
(602) 224-9222

Attorneys for Litchfield Park Service Company

CARL J. KUNASEK  
Chairman  
JIM IRVIN  
Commissioner  
WILLIAM MUNDELL  
Commissioner

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION OF )	DOCKET NO. W-01427A-00-_____
LITCHFIELD PARK SERVICE COMPANY )	SW-01428A-00-_____
FOR AN EXTENSION OF ITS CERTIFICATE )	
OF CONVENIENCE AND NECESSITY FOR )	<b>APPLICATION FOR EXTENSION</b>
THE PROVISION OF WATER SERVICE IN )	<b>OF CERTIFICATE OF</b>
PORTIONS OF MARICOPA COUNTY, )	<b>CONVENIENCE AND</b>
ARIZONA, AND DELETION OF A PORTION )	<b>NECESSITY FOR WATER AND</b>
OF THE WATER CERTIFICATED )	<b>WASTEWATER SERVICE</b>

---

This Application is substantially in the form prescribed by the Commission.

A. The name, address and telephone number of the Applicant is:

**Litchfield Park Service Company  
111 W. Wigwam Blvd., Suite B  
Litchfield Park, Arizona 85340**

B. The name, address and telephone number of management contact:

**Dave Ellis, General Manager  
111 W. Wigwam Blvd., Suite B  
Litchfield Park, Arizona 85340**

C. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

6001-00000.39

**ATTACHMENT D**

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E. Attach the following exhibits that apply to you:

1. Certificate of Good Standing (if corporation)

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation)

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **METES AND BOUNDS** survey. References to parcels and dockets will not be accepted.

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate present Certificated area using different colors of shading and outline.

H. Attach a current balance sheet and profit and loss statement.

60001-00000.39

1 I. Please provide the following information:

- 2 1. Indicate the estimated number of customers, by class, to be served in the new area in  
3 each of the next five years:

4 Please see attached Exhibit E.

5 **Residential:**

6 First Year \_\_\_\_ Second Year \_\_\_\_ Third Year \_\_\_\_

7 Fourth Year \_\_\_\_ Fifth Year \_\_\_\_

8 **Commercial:**

9 First Year \_\_\_\_ Second Year \_\_\_\_ Third Year -0-

10 Fourth Year \_\_\_\_ Fifth Year -0-

11 **Industrial:**

12 First Year \_\_\_\_ Second Year -0- Third Year -0-

13 Fourth Year \_\_\_\_ Fifth Year -0-

14 **Irrigation:**

15 First Year \_\_\_\_ Second Year -0- Third Year -0-

16 Fourth Year \_\_\_\_ Fifth Year -0-

17 **Other: (specify)**

18 First Year \_\_\_\_ Second Year -0- Third Year -0-

19 Fourth Year \_\_\_\_ Fifth Year -0-

- 20 2. (WATER ONLY) Indicate the projected annual water consumption, in gallons, for  
21 each of the customer classes in the new area for each of the next five years:

22 **Residential Per Customer:**

23 First Year \_\_\_\_\_ Second Year \_\_\_\_\_

Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

1                   **Commercial:**

2                   First Year       \_\_\_\_\_                   Second Year \_\_\_\_\_

3                   Third Year \_\_\_\_\_   Fourth Year \_\_\_\_\_   Fifth Year \_\_\_\_\_

4                   **Industrial:**

5                   First Year \_\_\_\_\_   Second Year \_\_\_\_\_   Third Year \_\_\_\_\_

6                   Fourth Year \_\_\_\_\_   Fifth Year \_\_\_\_\_

7                   **Irrigation:**

8                   First Year \_\_\_\_\_   Second Year \_\_\_\_\_   Third Year \_\_\_\_\_

9                   Fourth Year \_\_\_\_\_   Fifth Year \_\_\_\_\_

10                  **Other: (specify)**

11                  First Year \_\_\_\_\_   Second Year \_\_\_\_\_   Third Year \_\_\_\_\_

12                  Fourth Year \_\_\_\_\_   Fifth Year \_\_\_\_\_

- 13
- 14                  3.    Indicate the total estimated annual operating revenue from the new area for each of  
the next five years:

15                  First Year \$ \_\_\_\_\_   Second Year \$ \_\_\_\_\_   Third Year \$ \_\_\_\_\_

16                  Fourth Year \$ \_\_\_\_\_   Fifth Year \$ \_\_\_\_\_

- 17                  4.    Indicate the total estimated annual operating expenses attributable to the new area  
for each of the next five years:

18                  First Year \$ \_\_\_\_\_   Second Year \$ \_\_\_\_\_   Third Year \$ \_\_\_\_\_

19                  Fourth Year \$ \_\_\_\_\_   Fifth Year \$ \_\_\_\_\_

- 20                  J.    Total estimated cost to construct utility facilities to serve customers in the requested area:

21                  **Off-site facilities required to serve the subject area will be included in the water and**

22                  **wastewater service agreements with the developer based on an engineering estimate of**

23                  **the demand and construction cost.**

1 **On-site facilities will vary as phases are developed and will be typical ADEQ/ACC**  
2 **construction standards.**

3 K. Explain method of financing utility facilities (see paragraph 8 of instructions)

4 **On-site wastewater facilities will be funded by the Developer(s) using non-refundable**  
5 **line extension agreements.**

6 **Wastewater Off-Site facilities, and all water facilities, will be funded by the**  
7 **Developer(s) using refundable line extension agreements.**

8 L. Estimated starting and completion date of construction of utility facilities:

9 Starting date: \_\_\_\_\_ Completion date: \_\_\_\_\_

10 M. Attach the following permits:

11 1. Franchise from either the City or County for the area requested.

12 **To be late filed as Exhibit F.**

13 2. Arizona Department of Environmental Quality or designee's approval to construct  
14 facilities.

15 **To be late filed with Line Extension Agreements.**

16 3. Arizona State Land Department approval. N/A

17 4. U.S. Forest Service approval. N/A

18 5. (WATER ONLY) If the area requested is within an Active Management Area,  
19 attach a copy of either the utility's Designation of an Assured Water Supply or the  
20 developer's Certificate of 100 Year Assured Water Supply issued by the Arizona  
21 Department of Water Resources.

22 **To be late filed as Exhibit G.**

23 If area requested is outside an Active Management Area, attach the developer's  
Adequacy Statement issued by the Arizona Department of Water Resources if  
applied for by the developer. N/A

If area requested is outside an Active Management Area and the developer does not  
obtain an Adequacy Statement, provide sufficient detailed information to prove that  
adequate water exists to provide water to the area requested. N/A

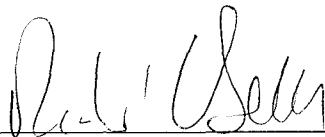


1  
2 N. Attached hereto as **Exhibit H** is an Engineering Data Sheet showing the customer count  
and consumption data for the latest 13 month period.

3  
4 O. Attached hereto as **Exhibit I** is a form of Notice to Customers and property owners in the  
area. The signed affidavit of publication will be late filed as an exhibit.

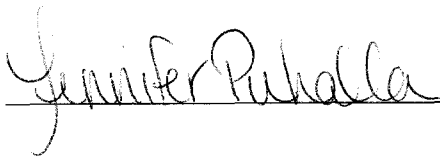
5  
6 **DATED** this 8<sup>th</sup> day of December, 2000.

7 SALLQUIST & DRUMMOND, P.C.

8  
9 By   
Richard L. Sallquist  
2525 East Arizona Biltmore Circle, Suite 117  
Phoenix, Arizona 85016  
Attorney for Litchfield Park Service Company

10  
11 Original and ten copies of the  
12 foregoing filed this 8<sup>th</sup> day  
of December, 2000, with:

13 Docket Control  
14 Arizona Corporation Commission  
1200 West Washington  
15 Phoenix, Arizona 85007

16  
17   
18

**LIST OF EXHIBITS**

**EXHIBIT**

**DESCRIPTION**

- |   |  |
|---|--|
| A | CERTIFICATE OF GOOD STANDING (Late Filed)      |
| B | LEGAL DESCRIPTION                              |
| C | MAP OF EXISTING AND REQUESTED AREA             |
| D | DECEMBER 31, 1999 AUDITED FINANCIAL STATEMENTS |
| E | CUSTOMER COUNT, REVENUES AND EXPENSES          |
| F | COUNTY FRANCHISE (Late Filed)                  |
| G | LETTER OF PHYSICAL AVAILABILITY                |
| H | ENGINEERING DATA SHEET                         |
| I | NOTICE TO CUSTOMERS                            |

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ADDITIONAL AREA

Section 32, Township 2 North, Range 1 West, G&SRB&M,  
Maricopa County, Arizona,  
an area totaling 640 acres.

DELETION AREA

South One Half of the Northwest One Quarter of Section 6,  
Township 1 North, Range 1 West, G&SRB&M, Maricopa  
County, Arizona, and

South One Half of the North One Half, and the Southwest  
One Quarter of Section 1, Township 1 North, Range 2  
West, G&SRB&M, Maricopa County, Arizona,  
an area totaling 400 acres.

**EXHIBIT B**

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Please see Attachments A & B  
to the Application

**EXHIBIT C**

**LITCHFIELD PARK SERVICE COMPANY**  
**(A Wholly-Owned Subsidiary of SunCor Development Company, Inc.)**

**STATEMENTS OF INCOME**  
**YEARS ENDED DECEMBER 31, 1999 AND 1998**

	1999	1998
<b>UTILITY OPERATIONS:</b>		
Operating revenues:		
Water	\$ 1,404,957	\$ 1,122,188
Sewer	1,420,123	1,038,932
Miscellaneous income	28,332	
Total operating revenues	<u>2,853,412</u>	<u>2,161,120</u>
Cost of revenues:		
Water	270,139	204,651
Sewer	633,742	587,998
Total cost of goods sold	<u>903,881</u>	<u>792,649</u>
Gross margin	<u>1,949,531</u>	<u>1,368,471</u>
<b>OPERATING EXPENSES:</b>		
Depreciation and amortization	276,637	330,456
Outside services	351,024	365,820
Salaries and benefits	298,501	273,027
Other taxes	116,282	100,165
General and administrative	69,335	68,214
Rent (Note 6)	42,850	39,002
Income taxes (Note 4)	275,300	69,000
Total utility operating expenses	<u>1,429,929</u>	<u>1,245,684</u>
<b>NET UTILITY OPERATING INCOME</b>	<u>519,602</u>	<u>122,787</u>
<b>OTHER INCOME (EXPENSE):</b>		
Interest income	123,893	7,799
Other	366	(147)
Interest expense	(230,775)	(27,065)
Total other expense	<u>(106,516)</u>	<u>(19,413)</u>
<b>NET INCOME</b>	<u>\$ 413,086</u>	<u>\$ 103,374</u>

See notes to financial statements.

Water		Year 1	Year 2	Year 3	Year 4	Year 5
I.1.	Residential	10	218	530	842	1154
	Commercial		3	8	13	18
	Irrigation	0	0	0	0	0
I.2	Residential	160,200	11,641,200	28,302,000	44,962,800	61,623,600
	Commercial	-	9,866,680	23,987,800	38,108,920	52,230,040
	Irrigation	0	0	0	0	0
I.3	Revenue	327	34,524	84,676	134,558	184,440
I.4	Expense	239	25,203	61,814	98,227	134,641
Sewer						
I.1.	Residential	10	218	530	842	1154
	Commercial		5	10	15	20
	Irrigation	0	0	0	0	0
I.3	Revenue	690	75,118	182,562	290,005	397,449
I.4	Expense	504	54,836	133,270	211,704	290,138

# EXHIBIT E

## Utilities Division

## EXTENSION AGREEMENT DATA SHEET

ACC No.: W - 01427

12/8/00

BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK  
CHAIRMAN

JIM IRVIN  
COMMISSIONER

WILLIAM MUNDELL  
COMMISSIONER

IN THE MATTER OF THE APPLICATION )  
OF LITCHFIELD PARK SERVICE )  
COMPANY FOR THE SALE OF ASSETS )  
AND CANCELLATION OF THE )  
CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO PROVIDE WATER )  
SERVICE IN PORTIONS OF MARICOPA )  
COUNTY, ARIZONA. )  
\_\_\_\_\_ )

DOCKET NO. W-01427A-00-\_\_\_\_\_  
SW-01428A-00-\_\_\_\_\_

**AFFIDAVIT OF PUBLICATION**

STATE OF ARIZONA )  
 )  
County of Maricopa )

The undersigned being first duly sworn deposes and says as follows:

1. I am David Ellis, General Manager of Litchfield Park Service Company. My business address is 111 W. Wigwam Blvd., Suite B, Litchfield Park, Arizona 85340.

2. On \_\_\_\_\_, I caused to be published in the \_\_\_\_\_ Public Notice of Application as set forth on the Publisher's Affidavit as attached hereto as Attachment One.

Further affiant sayeth not.

\_\_\_\_\_



SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_, 2000, by David Ellis, General Manager of Litchfield Park Service Company,

Notary Public

My Commission Expires:

**PUBLIC NOTICE OF AN APPLICATION FOR AN  
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY  
BY LITCHFIELD PARK SERVICE COMPANY**

Litchfield Park Service Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water and wastewater service, and deletion its water certificated area south of Interstate 10. Our records indicate that you are either currently a customer of Litchfield Park Service Company or are a property owner in the proposed extension or deletion area. If the extension application is granted, Litchfield Park Service Company would be the exclusive provider of water and wastewater service to the proposed area. Litchfield Park Service Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. If the deletion is granted, water service to that area would be provided by the City of Goodyear. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, and at 111 W. Wigwam Blvd., Suite B, Litchfield Park, Arizona 85340.

The Commission will hold a hearing on this matter. As a property owner or customer you may have the entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.